

A L					ار		1 18	
	The second second second	DICSESS	SESSIO LOCAL MUNICIPALITY	25	1			
		A. STATEMENT	- STATEMENT OF CHANGES IN MET ASSETS	CASSETS IN		the state of the		2
	120	250 30 30	25'at 3000 nne 2009	The state of the s	11		京都 かって おかい	
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- 使	Housing	Copiral		Sublic Donation and	· · · · · · · · · · · · · · · · · · ·	No. of the last of	Accumulated a	
	Development Fund	ment	Grant Reserve	Contribution	Reserve	Reserves	Surplus/(Deffei	Total Net Assets
A LONG TO THE PARTY OF THE PART	Beer R Water	174	The state of the s	大学 一大学	京 一	· 18 18 18 18 18 18 18 18 18 18 18 18 18	"心心を変を到した	4 C
日本の 一大学	· 福州中国	三十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二	The second of the	· 1000年 日本中	/ 一般の	さんないないないという	Jan Marine	
Boladic 3130 2007 2007	271,810	590,580	139,180,665	59,307	大学を表現 湯子	140 102 362	(788,005)	141,296,542
Schanges in accounting policy with the last had the	ALEX TORSE	经验检验证	大学の はない はない はん はん	30 年 10 日本			· 100 100 100 100 100 100 100 100 100 10	花はない
Correption of print period arror	はない。	はない。			10 mm		(52,639)	(\$2,638)
Residence	271.810 M	590,580	139,180,565	59,307		140,102,367	(840,643)	141,243,904
Surplus / (deficit) on revaluation of property of property.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		300		一大学 大学 大		三年 一年	一 一
Property, plant and equipment purchased	を変える。	(1,484,135)	神経の神経を		1000年	(1,484,135)	1484135	1000年
Capital grants used to purchase PPE			112,396,431	1000年の大学の大学		192,396,431	(132,396,431)	
Contribution for the year		1,484,135		され 一大学	は記録が	1,484,135	(1,484,135)	
Offsetting of depractation			11, 321,192) (11,	[5,672]		[11,826,864]	11,826,864	
Net gains and losses not receptised in the statement of any Knahdal performance		はは	San	The state of the s				
Pransitista / from arcumulated		大学 大	· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	ははは、日本では、日本では、日本では、日本では、日本では、日本では、日本では、日	は、大学の	はなる
Surply: // (deficit) for the period		一年 一日 日本		中 一		· · · · · · · · · · · · · · · · · · ·	147,508,930	147,509,930
Balance 23 30 sure	271.810 公司	590 580 %	259,755,504	53,635	THE STATE OF THE PARTY OF THE P	260,671,929	26,099,720	288,753,834
08 DO	Total Total	20 1		新 × 湯 × 湯	The section of the section of		A 184	なない は 大地田
Corection of prior period error.	大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の大	1590,58015年	(259,755,904)	(58),635	* *	(250,400.119)	270,844,224	10,444,105
Restated balance	271,810				是	271,810	296,943,944	299,197,939
Surplus / idefluit) on revaluation of property of property.	A THE REAL PROPERTY.				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	であるから		がない。
	100			4515 A	The Park		· · · · · · · · · · · · · · · · · · ·	

	SETSOTO LOCAL MUNCIPAL CASH FLOW STATEMENT OS 31 30 JUNE 2009	1 4 1 3 F CS		
		Note	2005	2008
	X III			R
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts			212,190,528	210,214,269
	Taxation			
	Sales of goods and services		94,230,829	Contract of the Contract of th
	Grants		115,491,522	103,119,546
	Interest received		14,123	17,094,723.
The state of the s	Other receipts		2,454,054	780
Payments			219,028,234	68,212,412,4
	Employee costs		70,036,114	
	Suppliers		144,813,331	63,557,664
	Interest paid Other payments		4,178.78a	4,654,716
Not cash flows from operating activities		-33	(6,837,706)	142,001,859
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets			(62,030,011)	(140,625,186)
Proceeds from non-cash fixed assets conation		10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	57,752,543	
Proceeds from our current receivables			3,573	3,572
Pracceds from non-current Investments			(53,315)	376,501
Proceeds from call investments			183,098	(1,019,450)
Not cash flows from Investing activities			(4,141,112)	(141,025,768)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings			5,139,560	6,728,734
Repayment of borrowings Proceeds from finance lease Hability.			(3,196,407)	(3,312,250) =200,865
Repayment of finance lease liability			(1:184,172).	(660,309)
Nut each llows from financing activities			759,031	2,956,971
				The second secon
Not increase / (decrease) in net cash and cash equ	lvalents		{10,222,787}	-13,933,061-
Net cash and cash equivalents at beginning of per	lod		(4,369,107)	(8,302,158)
Not cosh alid cash equivalents at end of period		34	Marine To her L	(4,359,101)

(14,591,894)

SETSOTO LOCAL MUNICIPALITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES for the year ended 30 June 2009

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are sat out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2' STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE

The following GRAP standards have been issued and are effective from the 01 July 2009 and have been adopted by the municipality subject to clause 1.7 above (Transitional provisions)

The following standards, amendments to standards and interpretations have been issued but are not yet effective and lieve not been carly adopted by the municipality.

IAS 19 Employee Benefits - effective 1 January 2009

IFRIC 17 Distribution of Non-cash Assets to Owners effective 1 July 2009

3 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an america to these linandal statements and forms part of the audited annual mandal statements.

When the presentation or classification of Items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is gracificable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as a practicable, and the prior year comparatives are restated accordingly.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

3. GOING CONCERN ASSUMPTION

These annual financial statements are prepared on the going concern basis. Although the Council receive Equitable Share from Government, it is being recognised as income to support the poor and indigent households, as part of Governments national guidning the assumption is that the municipality will continue to operate as a going concern for at least the next 12 months.

4. HOUSING DEVELOPMENT FUND.

The Housing Development Fund was established in terms of section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account towns form National and Provincial Sourcement used to finance housing developments undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4(a))/ill(a) read with, inter alla, section 16(2) that the net proceeds at any rental, sale of property of allenation, financed previously from povernment housing funds, be paid into a senarate operating account and the utilized by the Muhicipality for housing development subject to the approval of the Provincial NEC resposible for housing development subject to the approval of the Provincial NEC resposible for housing development subject to the approval of the Provincial NEC resposible for housing development subject to the approval of the Provincial NEC resposible for housing development subject to the approval of the Provincial NEC resposible for housing development subject to the approval of the Provincial NEC resposible for housing development subject to the approval of the Provincial NEC resposible for housing development subject to the approval of the Provincial Nec responsibility for housing development subject to the approval of the Provincial Nec responsibility for housing development subject to the approval of the Provincial Nec responsibility for housing development subject to the approval of the Provincial Nec responsibility for housing development subject to the approval of the Provincial Nec responsibility for housing development subject to the approval of the Provincial Nec responsibility for housing development subject to the approval of the Provincial Nec responsibility for housing development subject to the approval of the Provincial Nec responsibility for housing the Provincial Nec respon

5 PROPERTY, PLANT AND EQUIPMENT (PPE)

The 2008/09 accounting policy regarding property, plant and equipment transactions is consistent with that applied by the 2017/08 fluorist year, in accordance with the transitional provisions granted according Directive 4.

517 PPL Is stated;

At cost less accumulated depreciation, or

Hentage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the

uncertainty regarding their estimated useful lives.

Similarly, land is not depreciated as it is deemed to have an indefinite life.

- Subsequent exceptibling relating to property, plant and equipment is capitalised if it is probable that fujure economic benefits or potential service delivery of the asset are annualed in excess of the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an existing asset so that its original field extended me examples of subsequent expenditure which should be capitalised.
- 5.4. The cost of an item of property, plant and equipment acquired in exchange for a configured from could not be measured at its fair value. If the acquired from could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.
- The Municipality has adopted a capitalisation inreshold whereby all expenditure below the threshold is expensed when incurred. The inreshold is currently I/7 500 per item of PPE. Where the value of bulk nurchases of PPE with values of less than 8.7 500 per item, these literal are recognised as PPE in the Statement of Financial Position.

5.6. Deorge latton and impairment losses

5.6.2 Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives, calculated on a full month completion:

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TRANSPORT STREET, STREET, ST	是自我的现在分词,并可以"自然"。	Years
Infrastructure of the second second	Other Carried Handson Control	The factor of
Roads 10-90	Balldings The Little Control of the	≥ 0~30
Electricity 20-30	Specialist yellicles	20
Water 15-20	Motorvehicles	7 5 7 5 5 7
Seworage 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Office againment	1825 T327
证明。李起第一句题,并不是是我的事件的	Fumiture and littings	PT-12 - 37-10
Community .	Emergency Equipment	R P. S. S. S.
Buildings & San San 30	Plant and equipment	2.57
Recreational Facilities 20	Specialised plant and equipment	10,15
Security ineasures 25 3-5	设度的复数形式的影响影響。因此是在1947年的 。	
The state of the s		

- \$15.20 Incomplete construction work is stated at historic cost. Deptectation commences when the asset is capitalised.
- The carrying amount of an Item or a group of Identical Items of PPE is reviewed periodically in order to assess whether or not the recoverable amount has impaired below the carrying amount. When such an impairment has occurred, the carrying amount is reduced to the recoverable amount. The amount of the impairment is resognised as an expense immediately, taless it reverses a provious revuluation in which case it is charged to the revaluation unit is resorred.

21 Disposal bind rethement of assots

Assets are written off on disposal or retirement.

The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance

6. REVALUATION OF LAND AND BUILDINGS

Land and Euridings are stated at revalued amounts, being the fair value at the date of revaluation less subsequent accumulated deprecation in respect of buildings. No revaluation of assets was done in 2008/2009 and advantage was taken of the transitional provisions granted in terms of Directive 6.

7. INVENTORIES

The 2008/09 accounting policy regarding inventory transactions is consistent with that applied in the 2007/08 linancial year, in accordance with the transitional provisions of Directive 4.

Consumable stores and maintenance materials are valued at the lower of cost, determined on the weighted average cost has a and net realisable value. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and comment cost.

Cost of inventories comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to its present location and condition

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accomputated for each separately identifiable development. Costs also lititude a proportion of overhead costs.

Redundan, and slow maying invaniaries are identified and written down with regard to their estimated economic or realisable values Consumables are written down with regard to their age, condition and utility.

B. EINANCIAL INSTRUMENTS

Prinancial assets and financial liabilities must initially be recognized at cost.

The 2003/09 accounting policy regarding thancial instrument transactions is consistent with that applied in the 2007/08 financial year.

1 investments

Financial instruments, which include listed government bands, surfisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

The municipality may have the following types of financial instruments.

- tield to maturity (IEM) investments are financial assets with fixed or determinable payments and fixed industry where the entity has the positive intent and ability to not the investment to maturity.
- Loans and receivables are financial assets that are created by providing manay, 2000s or services directly to a debtor.

INITIAL MEASUREMENT of financial instruments is at cost, which is the fair value of the consideration given. The fair value is usually the tensaction price or market price. Transaction costs are included in the initial measurement of financial assets. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agentles and securities exchanges, and translet taxes and diffies. Transaction costs do not include debt prevalue or discount, mancing costs or allocations of internal administrative or holding costs.

SUBSEQUENT MEASUREMENT of financial assets.

HIM investments and to ans and receivables originated by the entity and not held for trading are subsequently recognised at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset was measured at initial accordation minus principal repayments, this or minus the cumulative amortisation of any difference between that initial amount and the mattifully amount, and minus any write down for impairment or uncollectability.

Where investments have been impoleed the carrying value is adjusted by the impolyment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the conving amount is charged or credited to the Statement of Financial Performance.

8.3 Accounts Receivable

Accounts receivable are carried at antitipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off in accordance with the council credit control policy, during the year in which they are identified.

8,4 Trade Creditors

Trade creditors are stated at their nominal value.

8.5 Cash and Cash englyalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months of less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents compromise cash on hand, deposits held on call will banks and cash investments, not of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

UNUTILISED CONDITIONAL GRANTS

Unutilised conditional grants are reflected on the Statement of Financial Position as a creditor - Unutilised conditional grants. They represent unspent government grants, substores and contributions from the public. The following provision is set for the creditor and utilisation of this creditor.

Whonever an asset is purchased out of the unifilitied conditional grant on amount equal to the cost price of the asset purchased is transferred from the Unifilized Conditional Grant into the statement of financial performance as revenue, Thereafter an equal amount is transferred on the Statement of changes in net assets to a Government Grant Reserve. This reserve is equal to the ternalning depreciable value (book value) of assets purchased out of the Unifilized Conditional Grants. The Government Grant Reserve is used to infect depreciation charged on assets purchased out of the Unifilized Conditional Grants.

10. VALUE ADDED TAX

The Council accounts for Value Added Tax on the cash basis.

IL BEVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received on receivable.

The 2008/09 accounting policy regarding revenue transactions is consistent with that applied in the 2007/08 financial year, in accordance with the transitional provisions of Directive 4.

Revenue is derived from a variety of sources which include Raies levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue is recognised when it is probable that future economy, benefits or service potential will flow to the municipality and these benefits can be measured reliably.

11.1 Revenue from Exchange Transactions

Service charges relating to Hectricky and Water are based on consumption. Merens are read and billed on a monthly basis and revenue is recognized as these sorvices are used by consumers.

Sanitation charges are levied monthly at a flat rate based on the location of the property and the number of connections using the tardist approved from Council.

Reduse charges are levied monthly at a figh rate based on the zoning of the site, using the tarilfs approved from Council.

Various services are provided on a prepayment basis in which case no formal billing takes place and revenue is accrued when received.

Income in respect of figuring rental and instalments are account monthly in advance

injerest earned on investments is recognised in the Statement of Financial Performance on a time preportionale basis that takes into account the effective yield on the lavestment, interest earned on the following Juvestments is not recognised in the Statement of Financial Performance.

interest cornied on mutilised conditional grants is allocated directly to the unoulised conditional grant creator, it the grant conditions indicate that interest is payable to the funder

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- * The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership run
 effective control over the goods sold.
- The amount of revenue can be measured reliably.
 - it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- * The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income for largency services is recognised on a monthly basis ence the lacome collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

interest on quittanning debtors is recognized on a time proportionate basis and is charged on all outstanding debtors older than 30 days.

Revenue from public contributions is recognised when all conditions associated with the contribution have been more where the contribution is to finance property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not just the condition, a liability is recognized.

11.2 Revenue from non-exchange transactions

Revenue from rates is recognized, when the legal entitlement to this invenue arises. A Differential flating system is applied in terms of this system assessment rates are granted subject to certain conditions. A composite rating system charging different rate tariffs for different categories of ratepayers is employed.

Collection charges are recognized when such amounts are legally enforceable

Interest on outstanding debtors is recognized on a time proportionate basis and is charged on all outstanding debtors older than 30 days.

Fires constitute both spot times and summinates. Revenue from spot fines is recognised when payment is received, and the revenue from the issuing of summinates is only recognised when collected by the Courts. Due to the various legal processes that can apply to summinate and the inadequate information received from the Courts, it is not possible to measure this revenue when the summinates issued.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such themselves plant and equipment are brought into use.

Committed property, plant and equipment is recognised when such items of property, plant and equipment are available for use.

Revenue from the recovery of unauthorised, irregular, failless and wastely) expenditure is based on legislated procedures, including those set out in the Nautelpal Floance Management Act (Act No.56 of 2003) and it recognised when the recovery then of from the repossible conincillor or officials is virgibilly certain.

12. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has compled with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been mere liability is recognised.

18. PROVISIONS

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits of service parental will be required to settle the obligation.

Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate. Where the effect of the limit value of the expenditure expected to be required to settle the obligation.

13.1. Accrued Leave Pay

Inhilities for adjust leave are recognised as they accrue to employees. The accrual is based on the fotal amount of accumulated leave due to employees at year and and also on the basic salary of the employee:

13.2 Provision for homuses

The Municipality makes provision for bonuses payable where all year end minimum bonus amounts owing to officials are contractually payable in the next financial year.

13.3 Provision for the rehabilitation of landfill sites

Provision for Landfill siles are made by Council, in the extent that the amount provided will be sufficient to rehabilitate
the sile in full when the life reaches as capacity.

13.4 Provision for removal of alien vegetation

No provision for alien vegetation are made by Council during the year.

14. UNAUTHORISED EXPENDITURE

Upauliorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of povernment, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

15. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is controly to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000) the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply cliain management policy. Irregular expenditure excludes unauthorised expenditure—irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and Where recovered this subsequently accounted for as revenue in the Statement of Financial Performance.

16. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitess and wasteful expenditure is expenditure that was made in value and would have been avoided had reasonable care been exercised. Footbass and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered it is subsequently accounted for as revenue in the Statement of Financial Performance.

17 JEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with covereship of an associate transferred to the municipality. Property, plant and equipment or interest ble assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding flabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest, in discounting the lease payments, the municipality uses the interest rate that exactly discounts this lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to properly, plant, equipment or intangibles. The lease habitly is reduced by the lease payments, which are allocated hierween the lease finance cost and the capital repayment using the effective interest rate mothed, lease finance costs are expensed when incurred the accounting policies relating to derecognition of inancial instruments are applied to lease payables. The lease asset is depredicted over the shorter of the asset's useful life on the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rent at are accrued on a straight-line basis over the term of the relevant lease.

BORROWING COSTS

Borrowing costs that are directly altributable to the acquisition, construction of production of qualifying assets are copitalized to the cost of that asset briess it is proporpriate to do so. The muricipality cases the capitalization of uniforming costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalize borrowing costs where the link potween the funds borrowed and the capital asset acquired cannot be adequately established Borrowing costs incurred other than on qualifying assets are recognized as an expense in surplus or deflect when incurred.

19 RETIREMENT BENEFITS

The 2008/09 accounting policy regarding retirement benefit transactions is consistent with that applied in the 2007/08 financial year, in accordance with the transitional provisions of Directive 4.

19.1 Pension / Retirement Fund

The Council and its employees contribute to various Pension and Reference Funds and its councillors contribute to the Pension Fund for Municipal Councillors. These hands provide referenced benefits to such employees and councillors.

The retirement benefits are calculated in accordance with the rules of the funds.

Current contributions are charged against the operating account of the Council at a percentage of the pensionable remuneration paid to employees of councillors.

A provision is made for the best estimate of the current cost of gratialities payable to employees that were not previously members of a possion fund

A provision is raised as the best estimate of the corrent cost of paying future pensions to employees who have become disabled as a result of injuries sustained whilst on duty.

19.2 Medical Ald: Continued Members

council provides certain post retirement medical benefits by funding the medical and contributions of certain retired members of the municipality. According to the rules of the medical and funds, within which council is associated, a member (who is on the run and condition of service), on retirement, is collided to remain a continued member of such medical and fund, in which case the member of such medical and fund, in which case the member of the medical and membership fee, and Council for the remainful 70% or 60%. Council adopted a policy whereby the set of slaft appointed under the new conditions of service would determine their portion of contribution to the medical ald on retirement.

These contributions are charged to the operating account when paid. In addition Council will contribute annually for the next 15 years towards lunding the obligations, which could arise to pay for the luture medical costs of employees and retirees.

20 GRANTS-IN-AID

The Municipality annually awards grants to Individuals and organisations based on ment. When making these transfers, Council does not

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction.
- Expect to be repaid in future; or
- Expect a financial renum, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving use to the transfer occurred.

ROUNDING

The amounts reflected in the financial statements of the Municipality are all in Rand, and all amounts are related off to the nearest round.

SETSOTO LOCAL MUNICIPALITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES for the year ended 30 June 2009

BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual fluancial statements have been prepared on an accetal basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Flyance Management Act. (Act No 56 of 2003).

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Assets, liabilities, revenues and expenses have not been offset except when offsetting is required to penultred by a Standard of GrAP.

The accounting policies applied the consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE

Reference	Topic的主题网络自然的是包括特殊的自然是共享的主要是主义的
GRAP 1	Presentation of Financial Statements
GRAP 2 HE	Cash Flow Statements
GRAPIS AN INTER	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP4	The Effects of Changes in Foreign Exchange Rates
GRAP'5 St.	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP, 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10.	Financial Reporting in Hyperinflationary Economies
GRAP 110	Construction Contracts
GRAP 12	Inventories
GRAP 131 &	Eleases 新河、福東京台灣區區域區域區域區域區域區域區域區域區域區域區域區域區域區域區域區域區域區域區
GRAP 14. 图片	Events After the Reporting Date
GRAP 164. 15 1	Investment Property
GRAP 17	Property, Plant and Equipment
GRAPA9	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100" 是 總	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101 . 3	Agriculture and the state of th
GRAP 1024 9145	Intangible Assets

The following standards, amendments to standards and interpretations have been issued but are but yet effective and have not been party adopted by the municipality.

tAS 19 employed Benefits - elfective 1 January 2009 :

IFRIC 17 Disinbution of Non-cast: Assets to Owners - effective 1 July 2009

1.3 COMPARATIVE INFORMATION

Budget information in accordance with GRAP, I and 24, has been provided in an annexure to these financial statements and forms part of the rudiled annual financial statements.

When the presonation or classification of items in the annual financial statements is amended prior period comparative amounts are restated. The nature and reakin for the reclassification is disclosed. Where accounting arrors have been identified in the current year, the sorrection is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

PRESENTATION CURRENCY

These annual Friancial statements are presented in South African Rand, which is the functional currency of the municipality,

3. GOING CONCERN ASSUMPTION

These annual financial statements are prepared on the going suprem basis. Although the Council receive equitable Share from Government, it is being recognised as income to support the poor and indigent households, as part of Governments national guiddine. The assumption is that the municipality will continue to operate as a going concern for all least the next 12 months.

4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of Section 15(5) and 16 of the Housing Act. (Act 107 of 1997), which tome into operation on 1 April 1998, requires that the municipality majoralin a separate housing operating account, Loans form National and Provincial Government used to linance housing developments undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(d)(d)(a) read with, inter also, Section 15(2) that the act proceeds of any real all, sale of property or alienation, financed previously from government housing tunds, be gaid into a separate operating account and be utilised by the Municipality for housing development subject to the approval of the Provincial MEC responsible for housing.

PROPERTY, PLANT AND EQUIPMENT (PPE)

The 2008/09 accounting policy regarding property, plant and equipment transactions is consistent with that applied in the 2007/08 financial year, in accordance with the transitional provisions granted according Directive 4.

PPE is stated:

Ar cost less accumulated depreciption; or

Heritage assets, which are culturally significant / esources and which are shown at cost, are not depreciated owing to the uncertaility regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

- Subsequent expenditure retains to property, plant and equipment is capitalised if it is probable that future economic beginning a potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed: The enhancement of an existing asset so that its use is expanded of the further development of arrasset so that its oxiginal life is extended are examples of subsequent expenditure which should be capitalised.
- The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fall value, if the acquired liear could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.
- The Municipality has adopted a capitalisation threshold whereby all expenditure below the threshold is expensed when incurred. The threshold is currently 87 500 per item of PPE. Where the value of bulk purchases of PPE with values of Jess tilan 8.7.500 per ilem, these items are recognised as PPE in the Statement of Financial Position.

Depreciation and impairment losses.

5,6

depreciation is coincitated on cost, using the straight line method, over the estimated usabilities of the assets: The depreciation rates are based on the following estimated useful lives, calculated on a full month completion:

	Years		Years
Infrastructure		Other	77 5
Roads	10-30	Bulldings	30
Electricity:	20-30	Specialist venicles	20
Waler	15-20	Motor vehicles	547
Sewerage.	15-20	Office equipment	35
		Furniture and fittings	7-10
Community		Emergency Equipment	5-15
Buildings Han - The Bar	30	Plant and equipment	2.55%
Recreational Facilities	20	Specialised plant and equipment	10:15
Security measures	3.5		200

- incomplete construction work is stated at historic cost. Depreciation commences when the asset is capitalised.
- The carrying amount of an item or a group of identical items of PPE is reviewed periodically in order to assess whether or not the recoverable amount has impaired below the tarrying amount. When such an impairment has occurred, the carrying amount is reduced to the recoverable amount. The amount of the importment is repognised as an expense immediately, unless it reverses a previous revaluation, in which case it is charged to the revaluation non distribulable reserve.

Disposal and ratirement of assets

Assets are written off on disposal or retirement.

The difference between the nex book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

REVALUATION OF LAND AND BUILDINGS

Land and buildings are stated at revalued amounts, being the lair, value at the clate of revaluation less subsequent accumulated degree ation in respect of buildings. No revaluation of assets was done in 2008/2009 and advantage was taken of the transitional provisions granted in terms of Dijective 4.

INVENTORIES

The 2008/09 accounting policy regarding inventory transactions is consistent with that applied in the 2007/08 financial year. In accordance with the transitional provisions of Olirective 4

Consultable stores and maintenance materials are valued by the lower of cost, determined on the weighten average cost basis, and nel realisable value. If inventories are 10 be distributed at no charge of for a nominal charge they are valued at the lower of cost and current replacement cost.

Cost of inventories comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to its present location and condition.

Unsold properties are valued at the lower of cost and net realisable value on a weighted overage cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow moving inventories are identified and written down with regard to their estimated aconomic or realisable values. Consumables are written down with regard to their age, condition and utility.

FINANCIAL INSTRUMENTS

Financial assets and linancial liabilities must initially be recognized at cost.

The 2008/05 accounting policy regarding financial instrument transactions is consistent with that applied in the 2007/08 financial year.

8.1 Investments

Elinancial instruments, which include listed government bonds, unlisted raunicipal bonds, (seed deposits and short term deposits invested in registered commercial banks, are stated at cost.

The municipality may have the following types of financial instruments.

Held to maturity (HTM) investments are (inlantial assets with fixed or determinable payments and fixed maturity where the entity has the positive latent and ability to hold the investment to maturity.

Loans and receivables are (mancial assets that are created by providing money, goods or services directly to a

INITIAL MEASUREMENT of lipancial instruments is at cost; which is the fair value of the consideration given. The fair value is

usually the transaction price or market price. Transaction tosts are included in the initial measurement of financial assets, Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory apprices and securities exchanges; and transfer takes and diffest transaction costs do not include debt premium or discount, linaaring costs or allocations of internal administrative or helding costs.

SUBSEQUENT MEASUREMENT of financial assets.

HTM Investments and loans and receivables originated by, the entity and not held for trading are subsequently recognised in amortised cost using the infective interest rate method. Amortised cost is the amount at which the financial osset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount; and minus any write down for impairment or incollectability.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expanse in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

8.3 Accounts Receivable

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtled receivables based on a review of all autstanding amounts at year end. Bad debts are written all in accordance with the coincil credit control policy, during the year in which they are identified.

8.4 Trade Creditors

Trade creditors are stated as their nominal value.

8.5 Cash and Cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an instabilicant risk of change in value.

For the purposes of the cash flow statement, cosh and cash equivalents compromise cash on hand, deposits held on call with banks and cash investments, not of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred,

UNUTHISED CONDITIONAL GRANTS

Unutilised conditional grants are reflected on the Statement of Financial Position as a creditor. — Unutilised conditional grants. They represent onspent government grants, subsidiles and contributions from the public. The following provision is set. for the creation and this creditor.

Whenever an asset is purchased out of the unutilised conditional grant on amount equal to the cost price of the asset purchased is transferred from the Unutilised Conditional Grant into the statement of financial performance of

revenue. Thereafter an equal amount is transferred on the Statement of changes in net assets to a Government Grant Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilised Conditional Grants. The Government Grants Reserve is used to offset depreciation charged on assets purchased out of the Unutilised Conditional Grants.

10. VALUE ADDED TAX

The Council accounts for Value Added Tax on the cash basis.

11. REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable.

The 2008/09 accounting policy regarding revenue transactions is consistent with that applied in the 2007/08 linancial year, in accordance with the transitional provisions of Directive 4

Revenue is derived from a variety of sources which include Rates levied, grants from other tiers of government and revenue from trading activities and other services provided

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably.

11.1 Revenue from Exchange Transactions

Service charges relating to Electricity and Water are based on consumption. Meters are read and billed on a monthly basis and revenille is recognized as these services are used by consumers.

Sanitation charges are levice monthly at a flat rate based un the location of the property and the number of connections using the total sapproved from Council.

Refuse charges are levied muntily at a flat rate based on the zoning of the site, using the tariffs approved from Council.

Various services are provided on a prepayment basis in which case no formal billing takes place and revenue is accrued when received.

income in respect of housing tental and instalments are accrued monthly in advance.

Intelest earned on investments is recognised in the Statement of Financial Performance on a time, proportionale basis that takes into account the effective yield on the investment, imporest earned on the following investment is not recognised in the Statement of Financial Performance.

interest earned on unifillised conditional grants is allocated directly to the unifilized conditional grant creditor. If the trans conditions indicate that interest is payable to the funder.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

The municipality has transferred to the buyer the significant tisks and rewards of ownership of the goods.

- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor, effective control over the goods sold:
- The amount of revenue can be measured reliably.
 - It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

Interest on outstanding debiors is recognized on a time proportionale basis and is charged on all outstanding debiors older than 30 days.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is prought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognized.

11.2 Revenue from non-exchange transactions

Revenue from rates is recognized, when the legal entitlement to this revenue arises. A billterential Rating system is applied in terms of this system assessment rates are levind on the land and improvements value of property and reportes are granted subject to certain conditions. A composite rating system charging different rate tanks for different categories of valepayors is employed.

Collection charges are recognized when such amounts are legally enforceable.

Interest on outstanding debtors is recognized on a time proportionate basis and is charged on all outstanding debtors older than 30 days.

Fines consilture both spot sines and summonses. Revenue from spot fines is recognised when payment is received, and the revenue from the Issuing of summonses is only recognised when collected by the Courts. Our to the various legal processes that can apply to summonses and the hadroughte information received from the Courts, it is not possible to measure this revenue when the summonse is issued.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such trens of property, plant and equipment are brought into use.

Confidenced property, plant and equipment is recognised when such trems of property, plant and equipment are available for use.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act Ro.56 of 2003) and is recognised when the recovery thereof from the responsible councillor or officials is virtually certain.

12. CONDITIONAL GRANTS AND RECEIPTS

Reveous received from conditional grants; donations and funding are recognised as revenue to the extent that the Municipality has compiled with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria,

conditions or obligations have not been met a liability is recognised.

13. PROVISIONS

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or soryce potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each Statement of Financial Position date and adjusted to rolled the current best assurance. Where the effect of the time value of the expenditure expected to be required to settle the obligation.

13.1. Accrued Leave Pay

Habilities for annual leave are recognised as they accrue to employees. The accrual is based on the total amount of accumulated leave days due to employees at year end and also on the basic salary of the employee.

.13.2 Provision for bonuses

The Municipality makes provision for bonuses payable where at year end minimum bonus amounts owing to officials are contractually payable in the next floandal year.

13.3 Provision for the rehabilitation of landfill sites

Provision for Landfill sites are made by Council, in the extent that the amount provided will be sufficient to repablitiate the site in full when the site reaches its capacity.

13.4 Provision for removal of allen veretation

No provision for alien vegetation are made by Council during the year.

14. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

15. REGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.56 of 2003), the Municipality's supply chain management policy. Irregular expenditure excludes tinauthorised expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance.

17 MILEASES

16.

Leaves are classified as finance leaves where substantially all the risks and rewards associated with ownership of an isset are transferred to the minimumity. Property, plant and equipment or intangible assets subject to finance leave agreements are infligibly recognised at the lower of the asset's fair value and the present value of the minimum leave payments. The corresponding liabilities are infligibly recognised at the incorption of the leave and are measured as the sum of the minimum leave payments due in terms of the leave agreement, discounted for the effect of interest, in discounting the leave payments in the leave payments and the leave payments are the interest rate that exactly discounts the leave payments and ungliaranteed residual value to the late value of the asset-plus any, direct costs incurred.

Slibsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies, applicable to property, plant, equipment or intengibles. The lease fability is reduced by the lease payments, which are allocated between the lease finance costs and the capital repayment using the effective interest rate melitorit. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease centals are accrued on a straight-line basis over the Jerm of the relevant lease.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized to the cost of that asset unless it is inappropriate to do so. The number of particle capitalization of corrowing costs when substantially all the activities to prepare the asset for its intended use of sale are complete, it is considered inappropriate to capitalize borrowing costs where the link between the funds borrowed and the capital asset acquired capital asset acquired capital asset acquired capital standards. Borrowing costs incorred other than on qualifying assets are recognized as an expense in surplus or deficit when incorred.

19 RETIREMENT BENEFITS

The 2008/09 accounting policy regarding retirement benefit transactions is consistent with that applied in the 2007/08 illuminal year, in accordance with the granstional provisions of Directive 4.

19.1 Pension / Retirement Fund

The Council and its employees contribute to various Ponsion and Retirement Funds and its councillors contribute to the Pension Fund for Municipal Contributes. These funds provide retirement benefits to such employees and councillors.

The retirement benefits are calculated in accordance with the rules of the frinds.

Current contabultions are charged against the operating account of the Council at a percentage of the pensionable remuneration paid to employees or councillors.

A provision is main for the best estimate of the current cost of gratuities payable to comployees that were not previously members of a persion fund.

A provision is raised as the best estimate of the current cost of paying future pensions to employees who have become disabled as a result of jugures sustained whilst on doty.

19.2 Medical Ald: Continued Members

Coincil provides certain post retirement medical beliefits by funding the medical aid contributions of certain retired members of the mentiopality. According to the rules of the medical aid funds, with which council is associated, a member who is on the current condition of service), on retirement, is entuted to remain a continued member of such medical aid fund, in which case the member is liable for 30% or 40% of the medical aid membership les, and Council for the remaining 70% or 60%. Council adapted a policy, whereby the age of shalf appointed under the new conditions of service would determine their portion of contribution to the medical aid on retirement.

These contributions are charged to the operating account when hald. In addition council will contribute annually for the next 15 years towards funding the obligations, which could arise to pay for the future medical costs of employers and retires = 100.

30 GRANTS-IN-AID

The Municipality annually awards grants to individuals and organisations based on morn. When making these transfers, Council does not

- Receive any goods or services directly in return, as would be expected in a purchase or safe transaction:
 - Expect to be repaid in fature, or
 - Expect a financial return, as would be expected from an investment.

These transfers are recognised in the linancial statements as expenses in the period that the events giving rise to the transfer pocurred.

AT ROUNDING

The emounts reflected till the financial statements of the Municipality are all in Rand, and all amounts are rounded oil to the necrest Rand.

SETSOTO LOCAL MUNICIPALITY NOTES TO THE FINANANCIAL STATEMENTS for the year ended 30 June 2009

	Note	2003
CASILAND CASH EQUIVALENTS		
Eash and cash equivalents consist of the following:		8,796
Cash at bank		(10,307,200)
		5,929,296
The Municipality has the following bank accounts:		
Current Account (Primary Bonk Account)		
Flist National Bank - Ficksburg Branch: Account Number 62048092647.		
Cash book halance at beginning of year		(12,751,578)
Cash book balance at end of year		(10,307,200)
Bank statement balance at beginning of year		(2,072,035).
Bank statement balance at end of year.		(0,438,556)
Savines Account		
First National Bank, Ficksburg Branch: Account Number 62049046205		
Cash book balance at beginning of year		1,441,015
essh book balance at end of year		5,979,296
Bank statement halance at beginning of year		4,160,252
Bank statement balance at end of year		4,441,015
Pledged Investments Above savings account is piedged with FNB as security, for the everdraft facility.		

Casil on hand			30 1-30 10 10 10 10 10 10 10 10 10 10 10 10 10
iolai castrand cast equivalents			7,315,238,092
Total bank overdraft			10,307,200
	Gröss	Provision for Doubtful	
TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS	Balances	Debts	Net Balance
Toole meenables as it 30 June 2009	R	R.	R Fig. 1
Service debions			
Bates		4	
Ejectricity	50 50 to 1		
Water			1000
Severage			
Reference to the second	到过5475		
Current Debiors (Other)			
Total	S. E. College Signs	-14)	January 1918 of the Control of the C
rs at 30 June 2008			
service debtors			
Biles	9,492,525	(4,468,971)	5,023,554
Electricity	11,547,881	(5,436,609)	6,111,272
Water	22,818,335	(10,742,608)	12,075,727
Sewerage	53,917,829	(25,383,891).	28,533,938
Current Debtors (Other)	48,692,730	(22,923,975)	25,768,755
ioni.	146,469,300	(68,956,054)	77,513,246
		t A TOTAL TOTAL	
Lies: Agena			
Curron (0-30 days)			812,337
2 - 60 Days		1 11 2	353,639
1-90 Days			338,038
9 - 120 Days			316,240
365 Cays			7,672,952
A STATE OF THE PROPERTY OF THE		in the factor	72 / 3 53

Total	The state of the s		9,423,206
	Taking taken belangsa		
Electricity, Water, Refuse and Seworage, Applie			
Current (0 - 30 days)		12	4,274,645
31: 500-45	123 24 7		1,273,291
.61 90 Days		1 / 1	149,261
91 - 120 Days	(4)	15 B	1,339,855
121 - 365 Days	The state of the s	ha	24,390,149
Total			32,427,701
Summary of Dectors by Customer Chisaltication	Consumers	Industrial/	National and Provincial
ACTUAL TO A MANUAL TO A STATE OF THE PARTY O	A SECULAR PROPERTY OF THE PROP	Commercial	Soveriment.
(according to minute and last to find the first control of the state o	R		
	to the Representation of the part of the second of the sec	A STATE OF THE PARTY OF THE PAR	
as at 30 June 2009			And the second
Current (0 = 30 days)	200		
31 60 Days			
61 20 Days			1
91 120 Days	M A		1000
121 - 365 Days			
Sub-total	12 14 15 L		
Less Providing for doughful debts			8
Total debtors by customer classification	dentro > +	<u> </u>	Marie Ma
as at 30 kme 2008			
Current (0 = 30 days)	0,014,204	647,834	158,710
31 - 60 Days	2,878,368	134,687	100,420
61 - 90 Days	2,280,278	55,792	30,040
9) - 120 Days	2,441,586	57,813	22,588
121 - 365 Days	76,827,649	838,068	378/455
Subtotal	93,412,065	1,734,154	690,213
Linest Provision for doubtful debits	(65,549,214)	(1)235,089)	(491,568)
Total deliters by customer classification	26,892,851	499,105	198,615
The second secon			
Resonalization of the doubtful debt provision			

553,972 258,460 132,262 166,250: 27,730 22,730 (3,573) (3,573)
253,460 132,262 166,7250 1,049,476 1,049,476
253,460 132,262 166,250 1,049,476 2,739
253,460 132,262 166,250 1,049,476 2,049,476
253,460 132,262 166,250:
253,460 132,262 166,250:
253,460 132,262 166,250:
253,460 132,262 166,250:
258, 460 132, 262 166, 250
253,460 132,262
2259,460
10000000000000000000000000000000000000
707,022
65,084
454,607
187,331
《 】 【
68,956,054
(11.570,560)
11,810,575

[9,157]

SPORT CLUB LOANS

A Loan was granted to the Squash Club for the purpose of creeting the facility and is repayable on an annual basis at 0% interest. This loan will be fully repaid in 2014. This loan was granted before the implementation of the

INVESTMENTS

Financialinstruments

Fixed Deposits

Listed Investments

819,478 172,560 992,038

Guarantees to Banks in respect of housing collateral investments to amployees to the amount of R41 209 (2007/08 - R37 133)

SETSOTO LOCAL MUNICIPALITY NOTES TO THE FINANGUEL STATEMENTS for the year codes 30 June 2009

S. PROPERTY, PLANT AND EQUIPMENT

The Municipality dignot review the Genetication in the Genetication in the baset temporared in the annual marchal statements for the 2008/2009 financial year due to stansticinal provisions granted in terms of Directive 4

Due to the process of the first fine any assection may be imposed for the 2008/2009 financial year. They said due to the application of transitional provisions in terms of determined and as a result to impaintment loss has been recognised in the 2008/2009 financial year. They said due to the application of transitional provisions in terms of Directive Included to later and buildings are trans. that may meeting definition of this estimant property but have been included as property for reporting our poses. These trans will be transferred to investment property once they have been desirtled as investment property in terms of

included in Property, plant and equipment are items that meet the definition of Investory but have been included as Property, plant and equipment because the process of John Maria purposes. These items will be transferred to Inventory or are been identified as inventory in terms of GBAR 12.

80

Finance Rease assets	235 12,487,548 7.292,480,735	1151 - 20,121,599 458,745,242	395.886 7.553,051 1.66,264.508	19202075 9:5885.5 ESPECTE	167 2. 2.56-1.58 25.8(8) 420
Weritige Other Assets	22. which is a second of the s	262.8	45 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -		220
Intrastructure Constitution by	245715,358	385,151,981	133,435,623	37.883.794	20,559,289 Zug,820
Brain B	1,797,399	1,797,599	10,021,038	18.18.7902	1,58,46
Recentilistion of Carrying Value		Cost/Revaluation.	Cristige In accounting policy and impairment losses	Amulations	capiol under Censoration

ANNUAL REPORTS 108 2609.

Refer to Appendix B for more detail on property, plant and equipment

SETSOTO LOGAL MUNICIPALITY HOTES TO THE FINANANCIAL STATEMENTS for the year ended 30 June 2002

8.1. Reconfliction of Carying Value.		a s a 2.1 July 2007	Cov. Revaluation.	Change infractioning policy. Accumulated depreclation and Impairment. 1955es.	Accustions	Sopretation	Carving value of disposals	Costule addition	Section of the property and in posture state of the
in the second se		25,912,534	34481,810	8,569,276	17,622	1,468,018	(41,837)	(25,951)	(15,886)
Interstructure Community		127,333,009	254.238.707	126,945,098	130,873,274	11,489,925			
		2,680,110	7746,067	3562		777			
Perifage Other Assett Finance									
Other Asset.		3,204,806	811.457	59992	985,658	289,230			
Finance lease assers		3,204,806 6,542,393	7,811,457 (2,5,5,5,7,5) 3,8,16,1,593	(505,657 6,003,361 150,530,942.	985,658 7,575,846 140,609.400	789,230 1,630,661 15,589,451	1 かまみ 学院		
	C C	167,470,851	318,161,793	150,590,942	140,609,400	15,589,451	(41,837)	(25,951)	(15,886)

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Refer to Appendix B for more detail on preperty, plant and equipment

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The Municipality has taken advantage of the Iradytional provisions set out in GRAP 12 and birective 4. The Municipality is in the process of the prairie and community assets and will recall the securifiation on the second within the time frame set in the description on these of second and an averaging basis whereby an avarage useful life has been estimated for each category of infrastructure and community assets, using global historical costs according records. Purfuermore, the Municipality has not assessed whether leans of property, pailt and equipment are impaired. It is expected that an assessment of impairments will be done with futher time frame set in pirective.

Clinic assets to the book value 6 R931 to 8 are included and will be removed from the asset once the une beed of the assets are formally standered to be part of the about of the asset of